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FISCAL IMPACT STATEMENT

LS 7089

BILL NUMBER: HB 1234

NOTE PREPARED: Jan 8, 2011

BILL AMENDED:

SUBJECT: Recycled Newsprint Fee.

FIRST AUTHOR: Rep. Wolkins

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill imposes a monthly fee on a newspaper publisher's use of newsprint in a newspaper published at least five days per week in Indiana equal to (1) \$25 multiplied by each metric ton of newsprint used by the publisher; minus (2) \$25 multiplied by each metric ton of newsprint used by the publisher that is newsprint that contains at least 40% postconsumer recycled content. The bill requires the monthly fees to be deposited in the state Solid Waste Management Fund.

Effective Date: July 1, 2011.

Explanation of State Expenditures:

Explanation of State Revenues: *Newspaper Fee.* This bill imposes a monthly fee on certain newspaper publishers' use of newsprint. The amount of the fee is the total recycled newsprint used that contains at least 40% postconsumer recycled content multiplied by \$25 and then subtracted from the total newsprint used multiplied by \$25. The fee is to be deposited into the Solid Waste Management Fund.

In 2006 (the most recent data available) at least 117,151 metric tons of newsprint were used. (The number of tons that were used by daily newspapers was unknown.) The fee collection will depend on the distribution of recycled newsprint usage by each publisher in each month. A survey of newspaper publishers in 2006 reported the average recycled fiber content in newsprint used by those newspapers was 44.4%. Depending on how the newsprint purchases were distributed, the aggregate fee revenue could range between \$0 and \$1.6 M. A mid-point estimate for the aggregate fee revenue is \$0.8 M annually.

Background. HEA 1240–1991 established a Recycled Paper Task Force composed of representatives from the paper industry, newspaper publishers, IDEM, environmental advocates, and concerned citizens’ groups. The Indiana newspaper industry agreed to incrementally increase the percentage of recycled fiber in newsprint to a minimum of 40% by 2000. The Hoosier State Press Association (HSPA) surveyed its members annually through 2006 to monitor progress toward this goal.

A total of 110 newspapers responded to the 2006 survey. Responders indicated that 117,151 metric tons of newsprint were used. The average recycled fiber content in newsprint used by those newspapers was 44.4%.

There are approximately 190 paid circulation newspapers in Indiana plus numerous free publications. The number of these publications that were daily newspapers is unknown.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: IDEM.

Local Agencies Affected:

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